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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000543

SIPDIS

STATE FOR EAP/BCLTV, EAP/J COMMERCE FOR ITA JEAN KELLY TREASURY FOR OASIA JEFF NEIL USPACOM FOR FPA

E.O. 12958: DECL: 05/05/2013

TAGS: <u>PREL ECON EAID KDEM BM</u>
SUBJECT: JAPAN'S NEW BURMA POLICY: FULL ENGAGEMENT WITH NO

STRINGS ATTACHED

REF: A. GLAZEROFF-MCMULLEN 5/1 EMAIL

¶B. RANGOON 445

¶C. TOKYO 1194 ¶D. 02 RANGOON 1447

¶E. 02 RANGOON 1366

Classified By: COM CARMEN MARTINEZ FOR REASONS 1.5 (B,D)

 $\P1$ . (C) Summary: The new Japanese "Three Pillars" strategy of humanitarian aid, economic reform, and democracy was officially unveiled on April 29. The Japanese ambassador in officially unveiled on April 29. The Japanese ambassador in Rangoon explained the details and origin of this policy to the Chief of Mission (COM) during a lunch on May 5. Though he did not expect U.S. support, the ambassador asked for U.S. understanding and pointed out how the U.S. and Japan strategies might be complementary in achieving democratic reform. End summary.

The Three Pillars Strategy

- 12. (C) During a lunch at his residence on May 5, Ambassador Miyamoto gave a readout to the COM, DCM, and Economic Officer (notetaker) on the recent visit to Rangoon of former Prime Minister Yoshio Mori. Mori visited April 29-May 2 on behalf of two private Japanese foundations. The ambassador stressed that Mori was not an envoy of the Japanese government.
- 13. (C) The former prime minister met with the SPDC leader, Senior General Than Shwe, and delivered to him a letter from current Japanese PM Junichiro Koizumi explaining the new Japanese "Three Pillars" strategy for relations with Burma. This policy, which the Japanese government described in detail at the February Informal Consultative Group on Burma meeting (Ref C) is founded on the concept of "total engagement" with the Burmese regime; engaging on humanitarian aid, economic reform, and progress toward democracy.
- (C) The ambassador clarified the reasoning behind this definitive Japanese policy shift. He characterized Japan's recent Burma policy as fickle and rootless, changing with the political winds. These vagaries had eroded the traditional trust and influence that Japan felt it had with the regime and the Burmese people, adding that the Burmese people had a "warm place in their heart for the Japanese." The ambassador said that upon arriving in the summer of 2002, he began to examine the situation on the ground to see how the Japanese might reassert themselves. His conclusion was that the Japanese government should rebuild its foundation of trust with the Burmese regime through 360-degree engagement. contrasted this with the Chinese and ASEAN engagement policies that provide assistance without pushing for political or economic reforms, and with the U.S. and European policies that rely on sanctions and pressure for reform with no assistance.
- 15. (C) The new policy is ambitious and, the ambassador admitted, quite risky. However, the ambassador opined that something new was needed to break the current impasse, and thus it was worth a try. He was unable to respond, though, to the COM's questions regarding the specific measurements of, or a timetable for, the policy's success or failure. He would only say that success would be measured in (unspecified) political reform. Later in the meeting, the ambassador, who clearly has a large personal stake in the policy's success, indicated that a personal goal for him would be substantial progress within a five-year time frame, though again it was unclear what exactly the endgame was. The new Japanese policy will have no conditionality, nor will it receive a large budget for implementation. Instead, proposed projects would be approved for funding by Tokyo on a case by case basis.

Trust But Verify

 $\underline{\P}6.$  (C) Miyamoto stressed that at this point the strategy is decisionmakers. He pointed out his aim to gain easier access to SPDC Secretary One, General Khin Nyunt, and the frank exchange of views between ex-PM Mori and Senior General Than Shwe. When the COM asked how the Japanese would ensure that messages about political and economic reform would get through to the top, the ambassador quickly replied that if this problem arose PM Mori (or another senior envoy) could return to deliver the message personally. According to Ambassador Miyamoto, PM Mori had invited Senior General Than Shwe to spend two or three days in Tokyo as "his guest" following Japan-ASEAN meetings coming up in December.

- 17. (C) The ambassador claimed that if he had closer ties with Burmese leaders he would be able to read their intentions, and that their close ties would keep the SPDC honest. He said that the Burmese government would respond better to earnest requests for necessary changes from a government with whom it has good personal ties, than to demands and pressure from hostile governments. The COM was skeptical of the Japanese reliance on trust and goodwill as the basis for the policy's success.
- 18. (C) If the relationships are established, the Japanese will push forward with their specific objectives. The UN's overdue humanitarian assessment was mentioned as a possible benchmark for basic human needs assistance, while the long-awaited Japan-Burma economic structural adjustment review would be the economic starting point. It was less clear what the Japanese had in mind for an opening gambit on the political side. However, the Ambassador said he would use his hoped-for new relationships to push the SPDC to give increased importance to the visits of UN Envoys Razali and Pinheiro.

## Don't Stand in the Way

19. (C) The overall message, diplomatically conveyed, was that the Japanese were going to try a bold new policy, and while they didn't expect U.S. support, they hoped that the United States would not object. Ambassador Miyamoto told the COM at least twice that he thought the United States and Japan could work together with complementary policies aimed at the same objective -- democracy in Burma. We are not yet 100 percent convinced that Japan's intention is as wholeheartedly democratic as the ambassador claimed. Although it could be helpful to have a close ally, who at least professes to be in favor of democratic reform, with good access to Senior General Than Shwe, we remain skeptical that the regime understands that the goal of the Japanese policy is political reform and transition to democracy.